



**SAN BERNARDINO  
VALLEY** | A REGIONAL WATER  
AGENCY SINCE 1954

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**BOARD OF DIRECTORS WORKSHOP - POLICY/ADMINISTRATION  
2:00 pm Thursday, November 7, 2024**

**In Person:**

380 East Vanderbilt Way  
San Bernardino, CA 92408

**Online via Zoom:**

<https://sbvmwd.zoom.us/j/89386241472>

Meeting ID: 893 8624 1472

**PASSCODE: 3802020**

**By Telephone:**

Dial-in Info: (877) 853 5247 US Toll-free

Meeting ID: 893 8624 1472

**PASSCODE: 3802020**

If you are unable to participate online or by telephone, you may also submit your comments and questions in writing for the District's consideration by sending them to [comments@sbvmwd.com](mailto:comments@sbvmwd.com) with the subject line "Public Comment Item #" (insert the agenda item number relevant to your comment) or "Public Comment Non-Agenda Item". Submit your written comments by 6:00 p.m. on Wednesday, November 6, 2024. All public comments will be provided to the Board President and may be read into the record or compiled as part of the record.

**IMPORTANT PRIVACY NOTE:** Online participants **MUST** log in with a Zoom account. The Zoom app is a free download. Please keep in mind: (1) This is a public meeting; as such, the virtual meeting information is published on the World Wide Web and available to everyone. (2) Should you participate remotely via telephone, your telephone number will be your "identifier" during the meeting and available to all meeting participants; there is no way to protect your privacy if you elect to call in to the meeting.



**SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT**  
380 E. Vanderbilt Way, San Bernardino, CA 92408

**BOARD OF DIRECTORS' WORKSHOP - POLICY/ADMINISTRATION**  
**2:00 PM Thursday, November 7, 2024**

**CALL TO ORDER**

Chairperson: Director Botello Vice-Chair: Director Kielhold

1) **INTRODUCTIONS**

2) **PUBLIC COMMENT**

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items except as authorized by law. Each speaker is limited to a maximum of three (3) minutes.

3) **DISCUSSION AND POSSIBLE ACTION ITEMS**

3.1 Quarterly Investment Portfolio Update with PFM Asset Management (20 min) - Page 2  
[Staff Memo - Quarterly Investment Portfolio Update with PFM Asset Management](#)  
[PFM Asset Management presentation on the District's investments through September 2024](#)

3.2 Louis Robidoux Parkland and Pecan Grove Update (20 min) - Page 24  
[Staff Memo - Louis Robidoux Parkland and Pecan Grove Update](#)

4) **FUTURE BUSINESS**

5) **ADJOURNMENT**

**DATE:** November 7, 2024  
**TO:** Board of Directors' Workshop – Policy/Administration  
**FROM:** Cindy Saks, Chief Financial Officer / Deputy General Manager  
**SUBJECT:** Quarterly Investment Portfolio Update with PFM Asset Management

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### **Staff Recommendation**

Receive and file the quarterly portfolio update report from PFM Asset Management.

### **Summary**

Richard Babbe, Senior Managing Consultant and a member of his team, Justin Resuello of PFM Asset Management, will be available via the Zoom meeting to make a presentation on the status of the District's investments based on the current investment strategy.

### **Background**

One of the specific tasks outlined by the Board is to meet quarterly with the investment advisor. The Board approved Investment Advisory services from PFM Asset Management and to continue with the investment strategy developed and adopted by the Board. Periodically over the years the Board has reviewed the investment strategy. On February 10, 2022, the board reviewed and directed staff to continue with the same investment strategy which provides greater portfolio diversity with a slightly longer average maturity while not increasing risk, all of which is in accordance with the District's investment policy.

### **Fiscal Impact**

There is no fiscal impact to receive and file the quarterly investment report and reviewing the District's investment policy.

### **Attachments**

- 1) PFM Asset Management presentation on the District's investments through September 2024

# San Bernardino Valley Municipal Water District

## Investment Performance Review For the Quarter Ended September 30, 2024

### Client Management Team

Monique Spyke, Managing Director  
James Sims, CFA, Managing Director  
Richard Babbe, CCM, Senior Managing Consultant  
Robert Montoya, Relationship Manager  
Justin Resuello, Relationship Manager

### PFM Asset Management

633 W 5th St., 25th Floor  
Los Angeles, CA 90071  
949-230-6896

213 Market Street  
Harrisburg, PA 17101-2141  
717-232-2723

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## Current Market Themes



- ▶ The U.S. economy is characterized by:
  - ▶ A labor market that reached better balance and support consumer activity
  - ▶ Inflation that has made meaningful progress towards the Federal Reserve's (Fed) 2% target, although shelter costs remain a headwind
  - ▶ Resilient economic growth and consumer spending that support the 'soft landing' scenario



- ▶ Fed begins the easing cycle
  - ▶ The Fed cut the federal funds target rate by 50 basis points (bps) to 4.75% - 5.00% at its September FOMC meeting
  - ▶ Fed officials note they have gained greater confidence the risks to their dual mandate are "roughly" in balance
  - ▶ The Fed's September "dot plot" implies 50 bps of additional cuts in 2024 and 100 bps through 2025



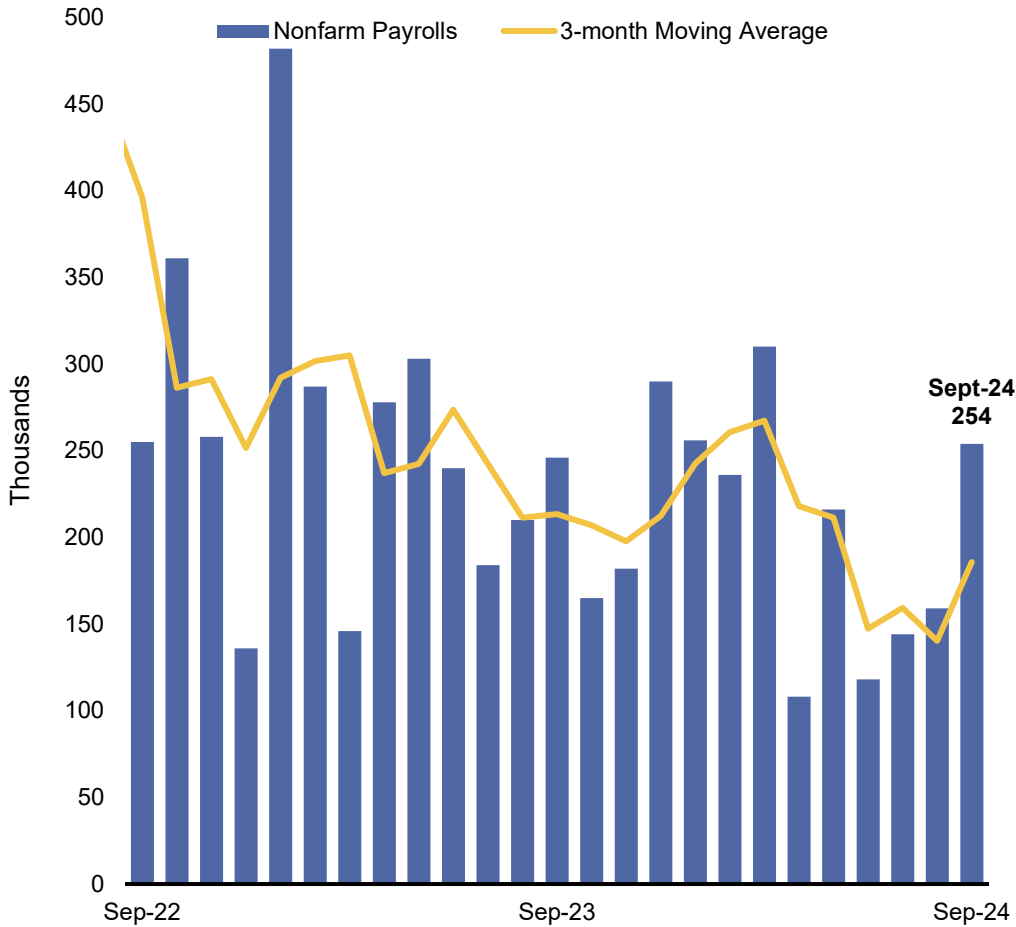
- ▶ Treasury yields continued their descent
  - ▶ Yields on maturities between 3 months and 10 years fell 62-112 bps during the 3<sup>rd</sup> quarter
  - ▶ The yield curve began to disinvert in the 3<sup>rd</sup> quarter as the spread between the 2-year and 10-year Treasury reached positive territory for the first time in over 2 years
  - ▶ Despite intra-quarter spread widening, yield spreads across most credit sectors were range bound at tight levels, reflecting the strength of the economy

Source: Bloomberg Finance L.P., as of September 30, 2024.

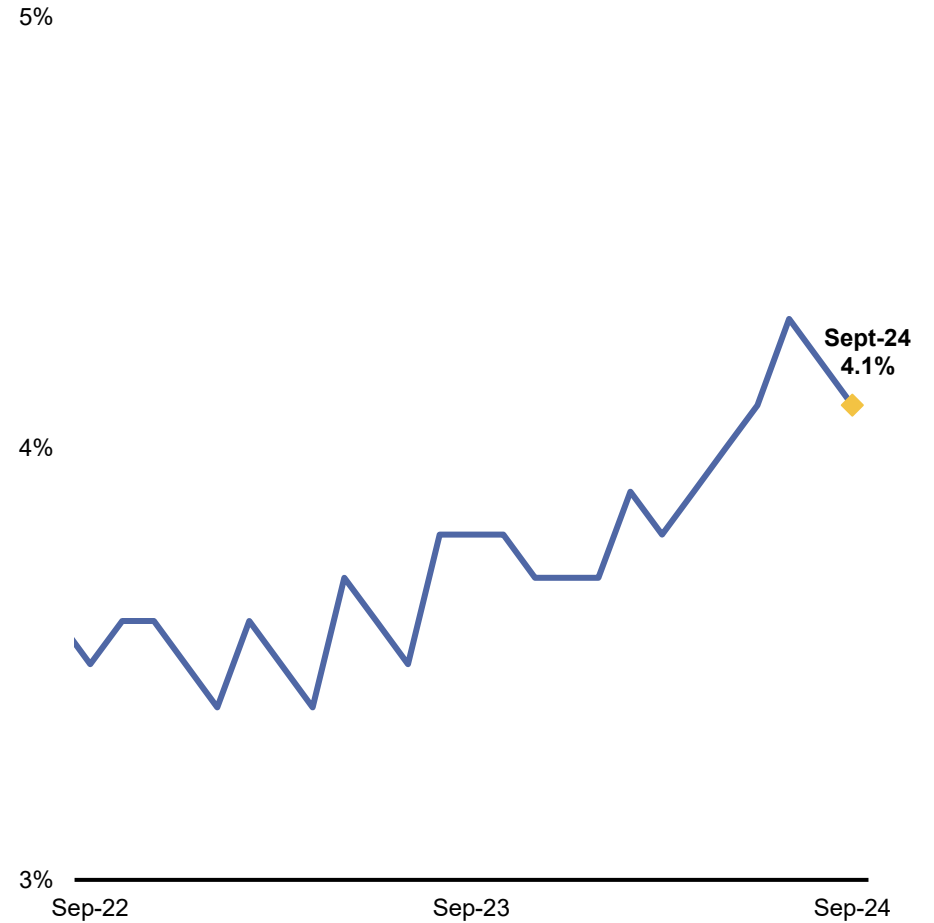
## Labor Market Moves Into Better Balance

*Fed Chair Powell: "...labor market conditions have cooled off by any measure ... [but] the level of those conditions is actually pretty close to what I would call maximum employment"*

### Monthly Change In Nonfarm Payrolls



### Unemployment Rate



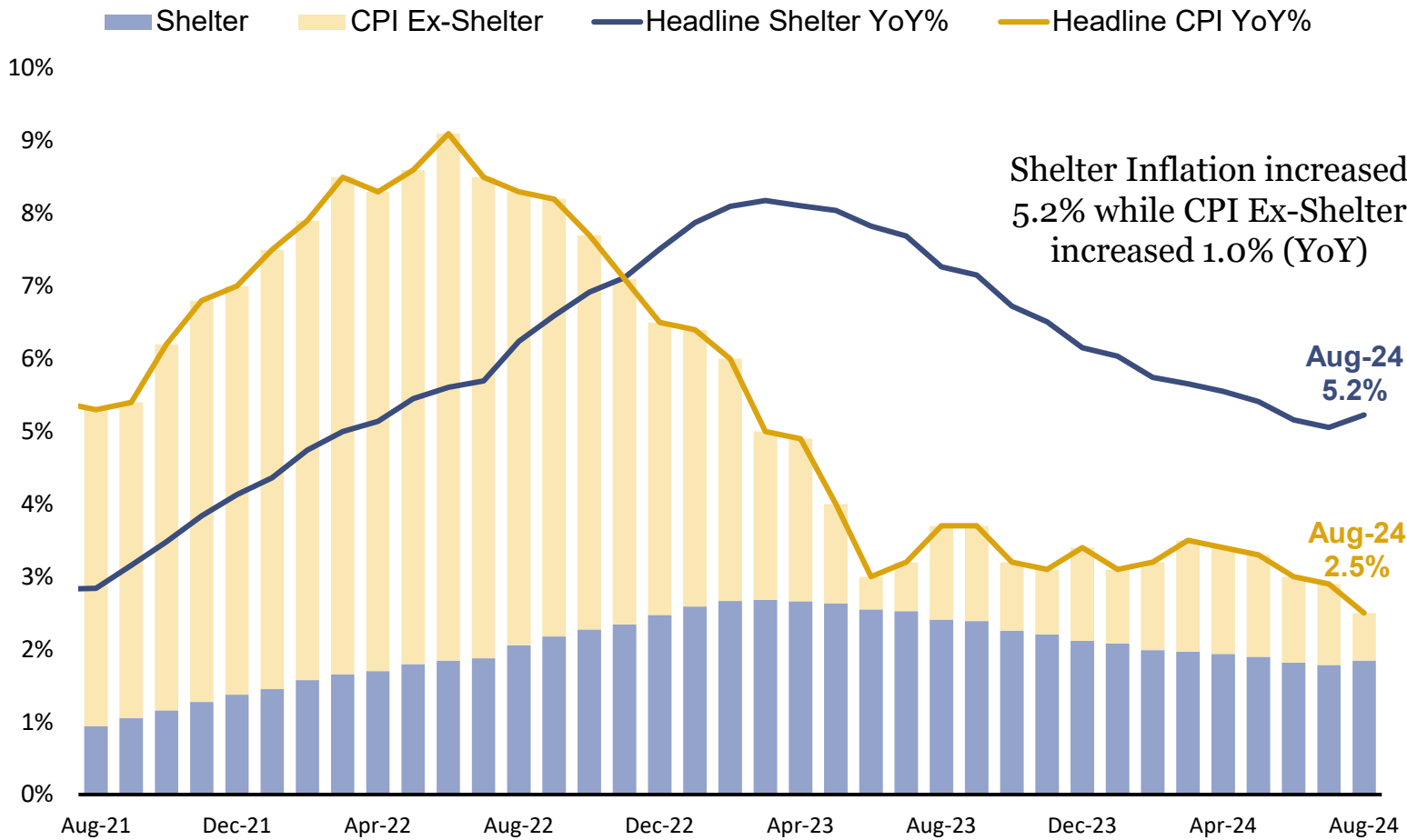
Source: Federal Reserve Chair Jerome Powell Press Conference as of September 18, 2024; Bureau of Labor Statistics and Bloomberg Finance L.P., as of September 2024. Data is seasonally adjusted.

## Inflation Trends Lower

*Fed Chair Powell: “[H]ousing inflation is the ... one piece that is kind of dragging a bit ... it’s been slower than we expected”*

### Consumer Price Index (CPI)

Top-Line Contributions, Year-over-Year Changes



Shelter Inflation increased 5.2% while CPI Ex-Shelter increased 1.0% (YoY)

Aug-24  
5.2%

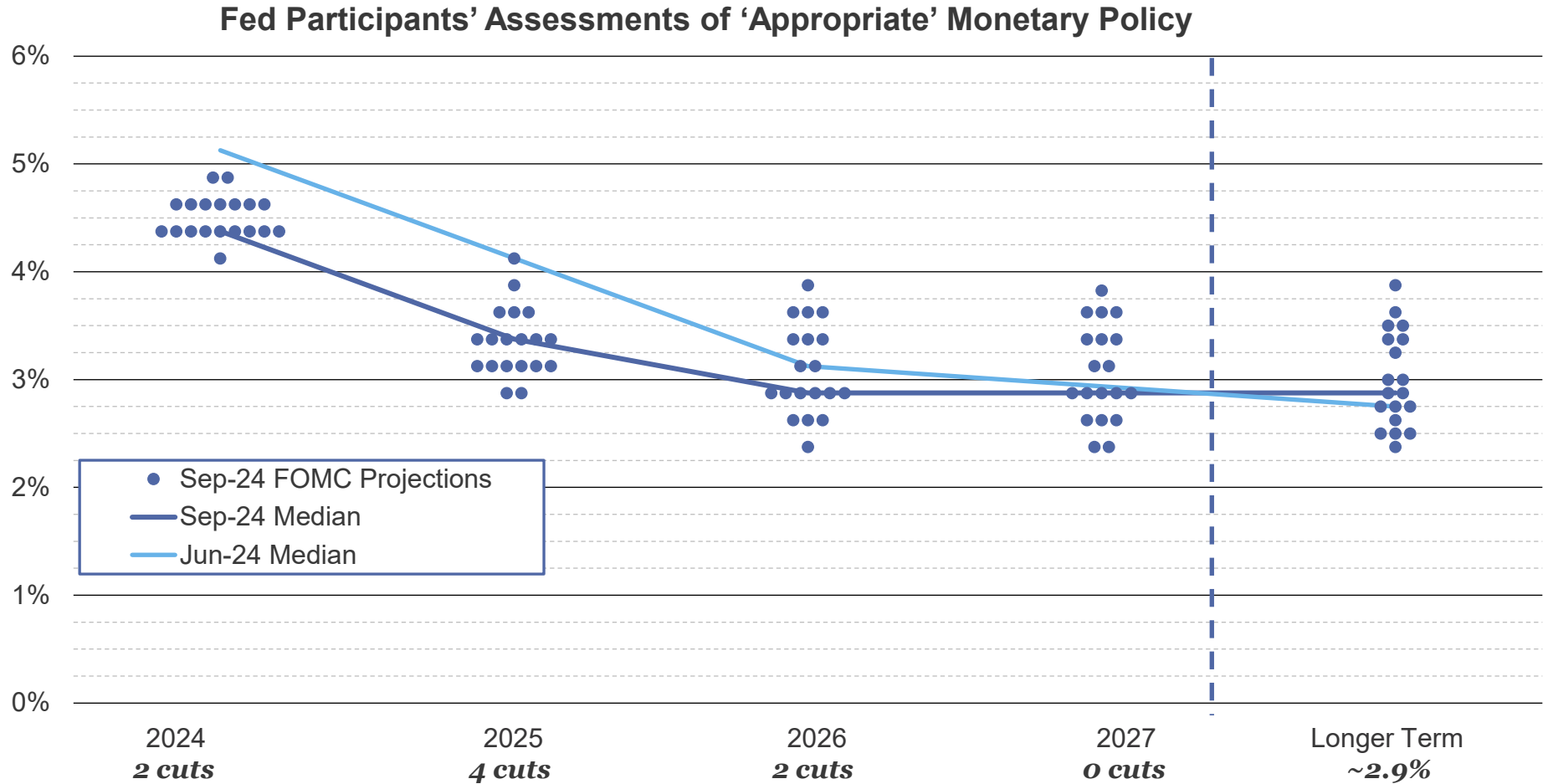
Aug-24  
2.5%

The shelter component of CPI continues to remain outsized accounting for 74% of the increase in the headline figure

Source: Federal Reserve Chair Jerome Powell Press Conference as of September 18, 2024; Bureau of Labor Statistics and Bloomberg Finance L.P., as of August 2024.

## The Fed's Latest "Dot Plot"

*Fed Chair Powell: "There's nothing in the [dots] that suggests the committee is in a rush to get this done."*

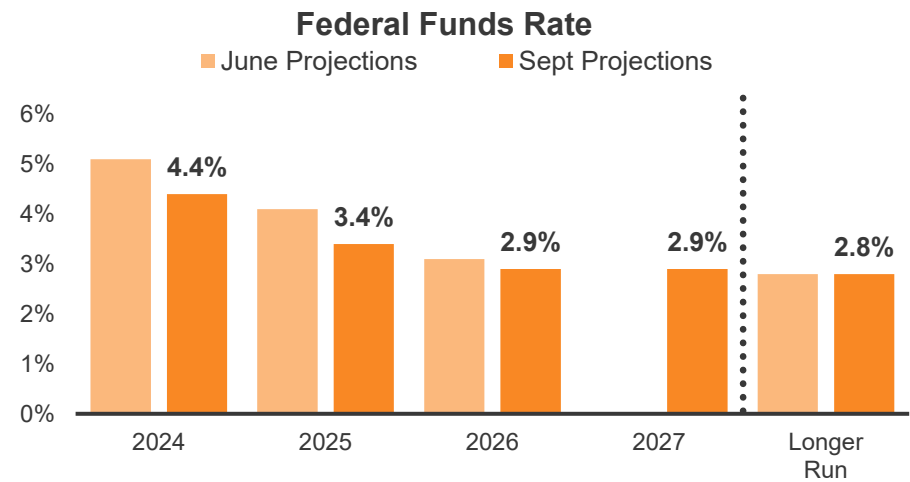
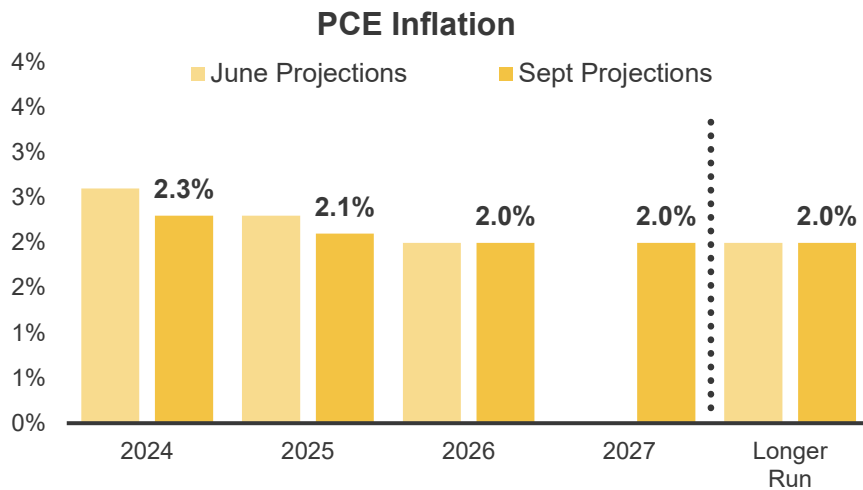
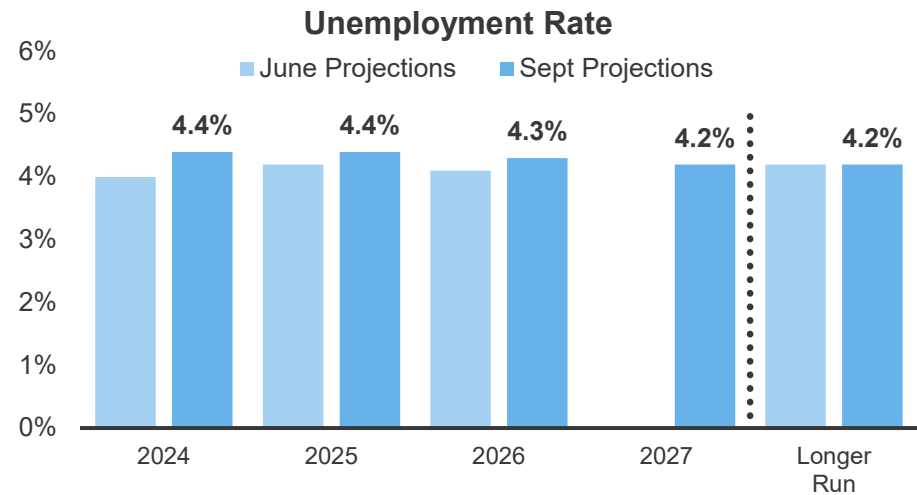
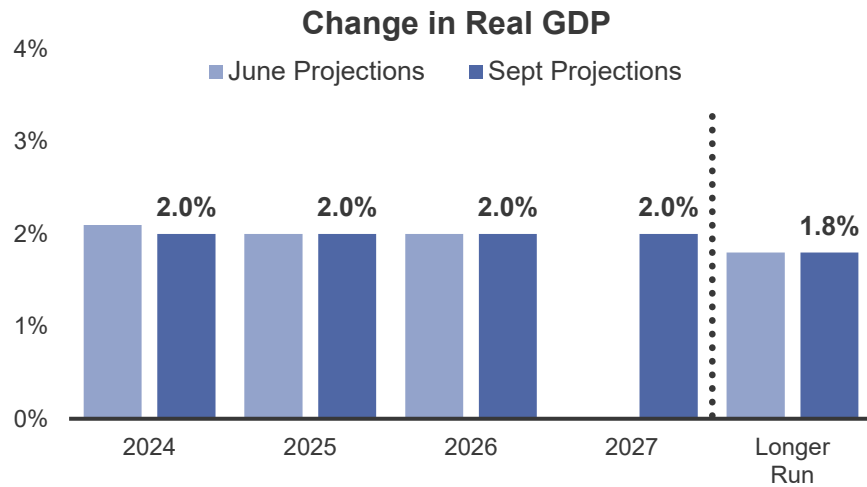


Source: Federal Reserve Chair Jerome Powell Press Conference as of September 18, 2024; Federal Reserve; Bloomberg Finance L.P.. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.



## Fed's Updated Summary of Economic Projections

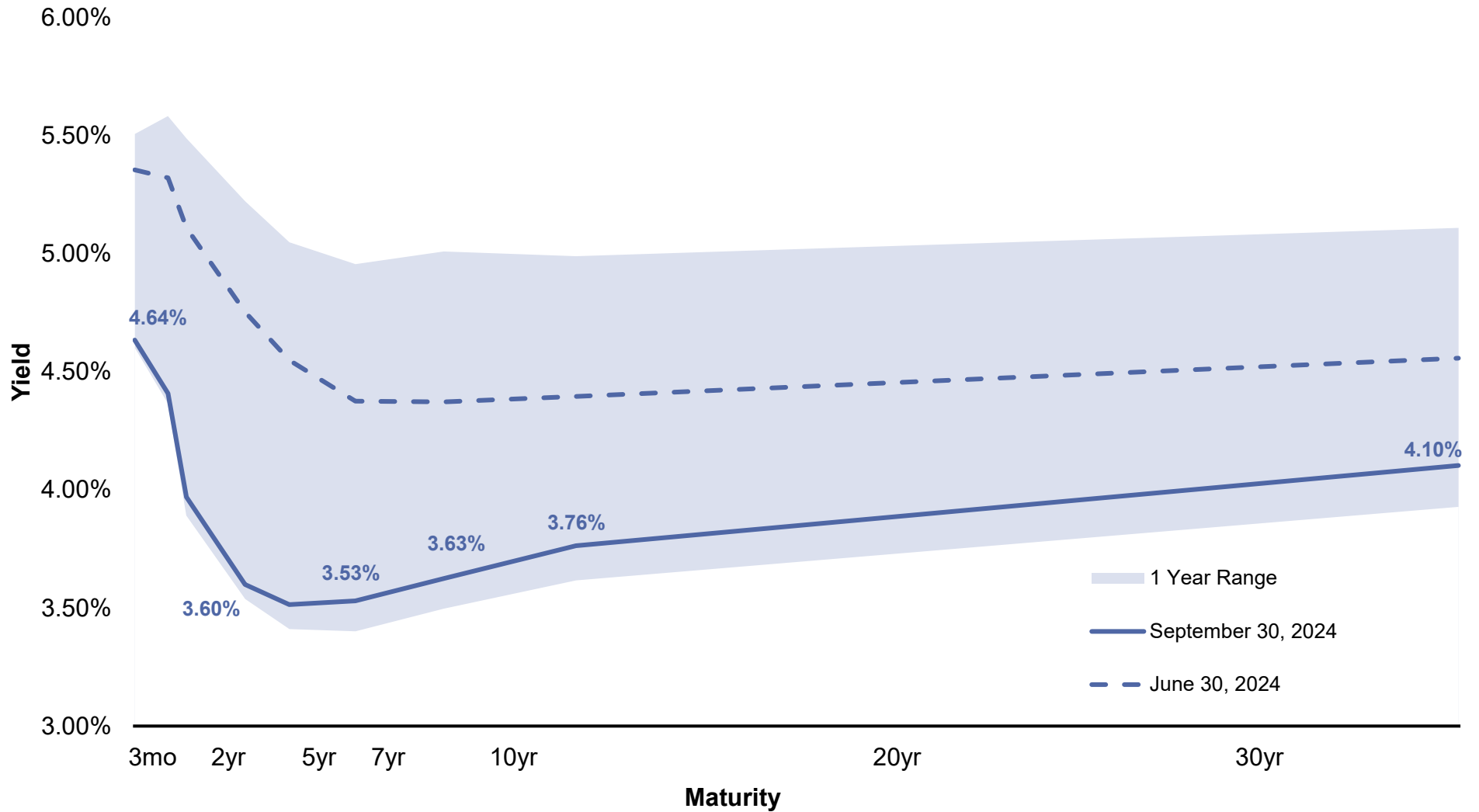
*Fed Chair Powell: "These median projections are lower than in June, consistent with projections for lower inflation and higher unemployment, as well as the change to balance of risks."*



Source: Federal Reserve Chair Jerome Powell Press Conference; Federal Reserve. As of September 2024.

## U.S. Treasury Yields Fall as the Yield Curve Begins to Disinvert

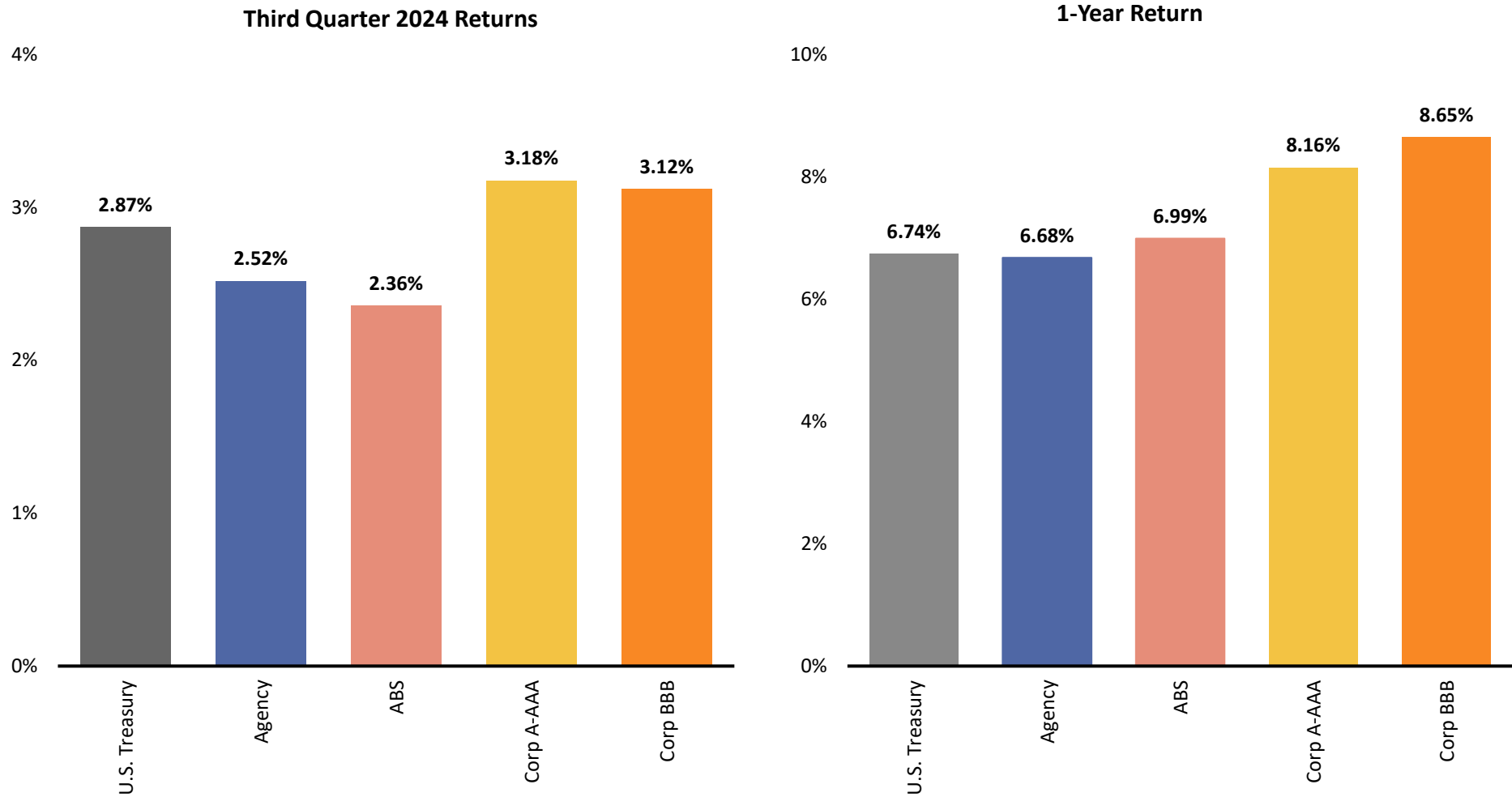
### U.S. Treasury Yield Curve



Source: Bloomberg Finance L.P., as of September 30, 2024

## Fixed-Income Index Total Returns in 3Q 2024

### 1-3 Year Indices



Source: ICE BofA Indices. ABS indices are 0-3 year, based on weighted average life. As of September 30, 2024.

## Fixed-Income Sector Commentary – 3Q 2024

- ▶ **U.S. Treasury** yields spent most of the quarter preparing for the first Fed rate cut resulting in the 2-year U.S. Treasury yield rallying over 100 bps. The Fed noted in July that the risks to jobs and prices have come into better balance and delivered a much-anticipated interest rate cut at its September meeting, reducing the overnight rate by 50 bps. After spending a record amount of time inverted, the yield curve steepened notably (as measured by the yield difference between the 2- and 10-year U.S. Treasury notes) and dis-inverted for the first time since July 2022. As a result of the Treasury rally, total returns were strong for the period.
- ▶ **Federal Agency & Supranational** spreads remained low and range bound throughout Q3. These sectors produced muted excess returns relative to other investment grade fixed income sectors as issuance has remained quite light and the incremental income from the sectors is near zero.
- ▶ **Investment-Grade (IG) Corporates** posted a strong quarter as sustained high issuance in Q3 was well-absorbed by robust investor demand. As a result, yield spreads ended the quarter very near their two-year lows. From an excess return perspective, lower-quality and longer-duration issuers outperformed in general in Q3. Excess returns of financial and banking issuers once again led most other industries across the majority of the yield curve during the quarter.
- ▶ **Asset-Backed Securities** generated muted excess returns for the quarter as yield spreads widened modestly and remained elevated for both automobile and credit card collateral. Attractive incremental income helped offset the adverse price impact of wider spreads during the quarter.
- ▶ **Mortgage-Backed Securities** were top of class performers during Q3 as spreads continued to test 12-month lows. Regardless of collateral and coupon, agency-backed mortgages rebounded soundly in Q3 following an underwhelming Q2. Declining mortgage rates and positive optimism in the housing market provided a tailwind for the sector during the quarter.
- ▶ **Short-term credit** (commercial paper and negotiable bank CDs) yields fell over the quarter in response to the expected Fed rate cut. Yield spreads continued to tighten relative to similar maturity USTs. However, the sector selectively provided value with incremental yields ranging 17 to 20 basis points in 9- to 12-month maturities.

## Factors to Consider for 6-12 Months

### Monetary Policy (Global):



- The Fed has begun its easing cycle with a 50 basis point (bp) cut. The FOMC’s September median “dot plot” projection suggests an additional 50 bps in rate cuts by the end of the year “if the economy performs as expected”. The projections also call for an additional full percentage point of cuts in 2025.
- The global easing cycle is underway with nearly all major central banks (excluding the Bank of Japan) completing multiple rate cuts.

### Economic Growth (Global):



- U.S. economic growth remains strong reflecting a consumer who continues to spend at elevated levels.
- Economic growth outside the U.S. remains mixed.
- China has moved forward with a package of stimulus measures aimed to boost growth. The country remains poised to take additional swift action should it be deemed necessary.

### Inflation (U.S.):



- Inflation continues its trend lower but has been buoyed by stubborn housing costs.
- The broad-based inflation cooling helped fuel the Fed’s decision to cut by 50 bps but policy makers note they are not declaring victory on price stability.

### Financial Conditions (U.S.):



- The continuation of stable market measures, such as narrow corporate yield spreads, record equity index levels and low volatility, reflect economic confidence.
- We remain focused on the cooling labor market and effects this might have on the consumer as potential catalysts for a broader slow down, but that is not our base case expectation.

### Consumer Spending (U.S.):



- The consumer continues to spend and support economic strength. Upward revisions to the personal savings rate paint the consumer in better light than previously thought but the trend of consumers dipping into savings continues.
- Moderation in the pace of overall spending is expected given slowing wage growth and cooling labor market conditions.

### Labor Markets:



- The labor market continues to moderate from extremely strong levels seen in prior quarters. The recent downward revisions to nonfarm payrolls through March 2024 further emphasized the cooling.
- Other labor metrics remain well positioned such as the layoffs and discharge rate pointing towards moderation rather than deterioration.

● Current outlook      ○ Outlook one quarter ago



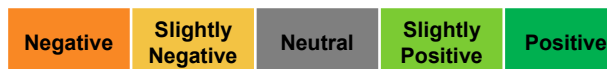
Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg and FactSet. The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (6/30/2024) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability.

### Fixed-Income Sector Outlook – 4Q 2024

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	

● Current outlook

○ Outlook one quarter ago



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# Account Summary

### Combined Portfolio - Sector Allocations

Security Type	Market Value as of June 30, 2024	% of Portfolio	Market Value as of September 30, 2024	% of Portfolio	% Change vs. 6/30/24	Sector Limits
U.S. Treasury	\$225,338,013	34.1%	\$241,809,231	36.8%	2.6%	100%
Federal Agency	\$639,230	0.1%	\$645,792	0.1%	-	100%
Municipal	\$3,182,390	0.5%	\$902,912	0.1%	-0.3%	30%
Negotiable CDs	\$18,592,348	2.8%	\$16,917,685	2.6%	-0.2%	30%
Commercial Paper	\$5,560,320	0.8%	\$4,560,023	0.7%	-0.1%	40%
Corporate Notes	\$97,931,807	14.8%	\$96,219,069	14.6%	-0.2%	30%
<b>Securities Sub-Total</b>	<b>\$351,244,107</b>	<b>53.2%</b>	<b>\$361,054,712</b>	<b>54.9%</b>		
Accrued Interest	\$4,016,264		\$4,027,541			
<b>Securities Total</b>	<b>\$355,260,371</b>		<b>\$365,082,254</b>			
LAIF	\$71,156,434	10.8%	\$71,959,274	10.9%	0.2%	\$75 Million
Money Market Fund	\$276,278	-	\$2,910,467	0.4%	0.4%	20%
CAMP	\$237,340,841	36.0%	\$221,743,890	33.7%	-2.2%	50%
<b>Total Liquidity</b>	<b>\$308,773,553</b>	<b>46.8%</b>	<b>\$296,613,631</b>	<b>45.1%</b>		
<b>Total Investments</b>	<b>\$664,033,924</b>	<b>100.0%</b>	<b>\$661,695,885</b>	<b>100.0%</b>		

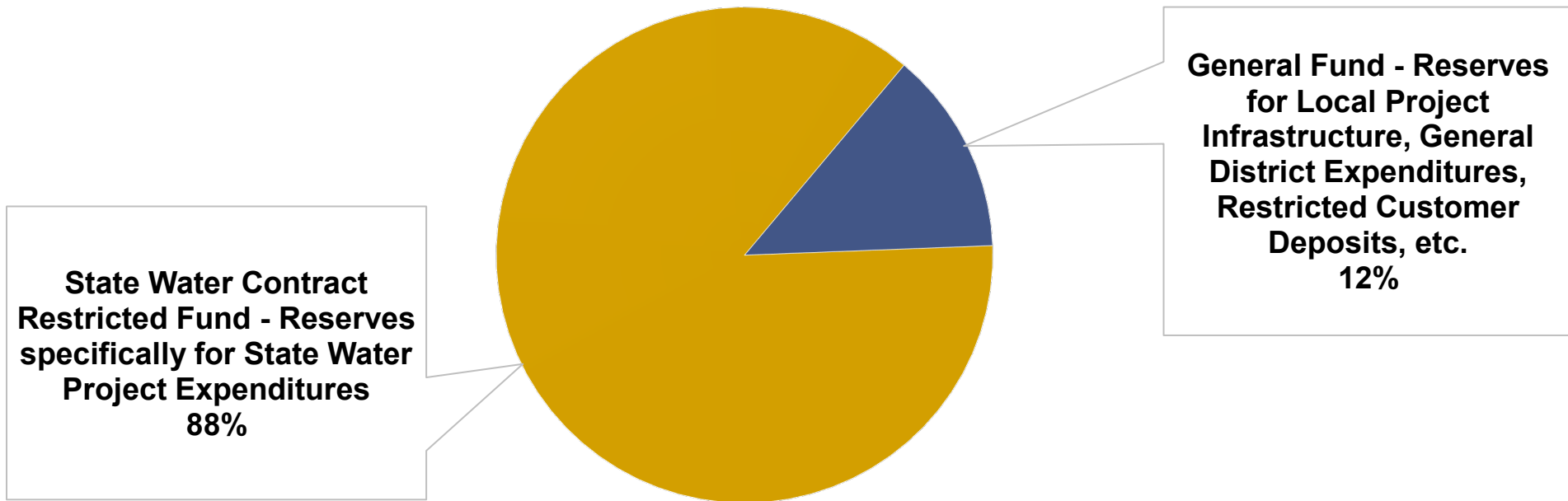
\* Note: The CAMP balance includes the proceeds of 2023A Project Fund, which are part of the General Fund.



**Combined Portfolio – Composition: By Fund**

<b>Fund</b>	<b>June 30, 2024</b>	<b>September 30, 2024</b>
General Fund*	\$81,235,279	\$78,097,009
State Water Contract Fund	\$582,798,645	\$583,598,875
<b>Total</b>	<b>\$664,033,924</b>	<b>\$661,695,885</b>

**Combined Portfolio at 9/30/2024**



\* Note: The General Fund includes the proceeds of 2023A Project Fund, which are invested in CAMP.

## Certificate of Compliance

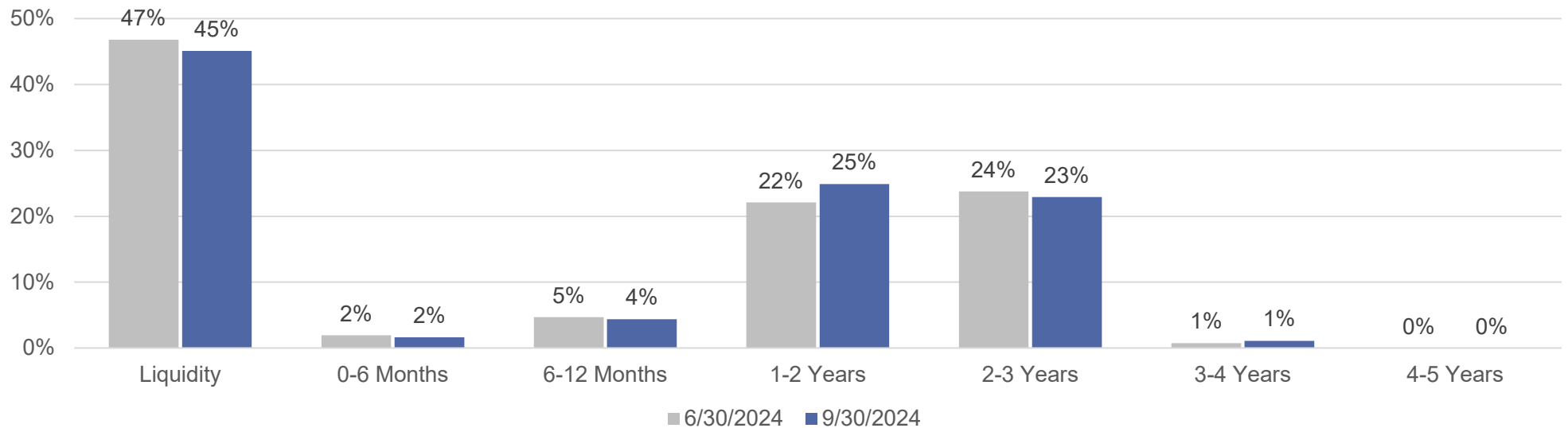
During the reporting period for the quarter ended September 30, 2024, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

*Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").*

### Combined Portfolio - Maturity Distribution

- The District maintains ample liquidity in the LAIF/CAMP.
- For the managed portfolio, we continue to emphasize maturities in the 1-3 year maturity range, consistent with the strategies for the portfolios.



Weighted Average Maturity (Years)	June 30, 2024	September 30, 2024
Overall	0.99	1.02
Managed Portfolio	1.85	1.85

### Combined Portfolio - Accrual Basis Earnings

Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years <sup>1</sup>
Interest Earned <sup>2</sup>	\$3,728,689	\$13,429,245	\$23,677,907	\$35,635,873	\$59,659,714
Realized Gains / (Losses) <sup>3</sup>	(\$355,086)	(\$3,699,601)	(\$9,091,138)	(\$4,354,781)	(\$5,422,458)
Change in Amortized Cost	\$191,146	\$814,536	\$556,831	\$392,683	(\$217,697)
<b>Total Dollar Earnings</b>	<b>\$3,564,749</b>	<b>\$10,544,180</b>	<b>\$15,143,600</b>	<b>\$31,673,775</b>	<b>\$54,019,559</b>

1 The lesser of 10 years or since inception is shown. Performance inception date is June 30, 2012.

2 Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3 Realized gains / (losses) are shown on an amortized cost basis.

## Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

Investment advisory services are provided by PFM Asset Management LLC ("PFMAM"), an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. The information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

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## Important Disclosures

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

## Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

## Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.



**DATE:** November 7, 2024

**TO:** Board of Directors' Workshop - Policy/Administration

**FROM:** Chris Jones, Preserve System Program Manager  
Joanna Gibson, Executive Director, Upper Santa Ana River HCP

**SUBJECT:** Louis Robidoux Parkland and Pecan Grove Update

**Staff Recommendation**

Receive and file.

**Summary**

At the request of the Board of Directors (BOD), staff is providing an update on the Louis Robidoux Parkland & Pecan Grove (LRPPG), and on work associated with a grant secured from the Wildlife Conservation Board (WCB).

Staff last presented on the LRPPG on September 20, 2022. Since then, activities at LRPPG have focused on restoring and revitalizing the LRPPG site. Activities have been conducted in partnership with the LRPPG Consortium, which is spearheaded by the Inland Empire Resource Conservation District (IERCD). SB Valley's efforts are focused on habitat restoration at Sunnyslope Creek, and the adjacent open space habitat located east of Sunnyslope Creek.

An overview of primary tasks and their status is summarized in the table below.

<b>Task</b>	<b>Type of Task</b>	<b>Status</b>
Develop Master Plan	Shared	Ongoing. Completion expected in Spring 2025
Establish Water Supply (Potable)	Shared	Completed.
Annual Stewardship Festival	Shared	Completed for 2024. Planning for Fall 2025.
Establish Water Supply (Restoration/Irrigation)	SB Valley	Ongoing. Planning underway for water supply for habitat restoration and on-site irrigation. Planning report expected by Spring 2025.

Opportunities and Constraints Analysis	SB Valley	Several surveys are completed or ongoing. Negotiating proposal(s) for remaining tasks. Final report is anticipated in Fall 2025.
Habitat Restoration Implementation	SB Valley	Nonnative plant management expected to commence Fall/Winter 2024/2025

**Background**

The BOD originally approved participation in the LRPPG Consortium in July of 2018. At this time the Consortium was comprised of five entities: the IERCD, Orange County Water District (OCWD), Huerta Del Valle (HDV), Sunshine Haven Wildlife Rehabilitation, and SB Valley. The purpose of the Consortium is to provide outdoor education and restore and reinvigorate the approximate 40-acre LRPPG property, located in City of Jurupa Valley. An additional focus is habitat restoration of Sunnyslope Creek, which transects the property, and adjacent native habitat areas. The property is owned by Riverside County Parks and Open Space District (RivCoParks), but the Consortium is managing the property through a lease agreement. The primary lease holder is the IERCD. SB Valley and the other Consortium members operate under an agreement with the IERCD. The Consortium was developed in response to an RFP that was advertised by the RivCoParks to find an entity to manage what was then known as the Louis Robidoux Nature Center, since it had been previously shuttered due to budgetary constraints.

Unfortunately, a fire (the 46 Fire) raced through the site on October 31, 2019, destroying the nature center that had previously been an anchor in the community and a focal point for the site. Given the change in condition due to the 46 Fire, the existing agreement between the Consortium and RivCoParks was terminated. Shortly thereafter, the RivCoParks advertised a new opportunity to manage the LRPPG. The Consortium again submitted a proposal to manage the site through a lease agreement and proposed to provide a variety of services and programming including habitat restoration, outdoor education, sustainable agriculture, and wildlife rehabilitation. The Consortium’s proposal was again selected. The new agreement was built on a similar format as the previous one and was approved in late 2020, covering a term of 25 years, with options for two additional 10-year extensions.

**District Strategic Plan Application**

SB Valley’s involvement in the Consortium allows us to live our core values to work collaboratively to find innovative, integrated, cost-effective, science-based solutions that will allow us to recover the environmental health of Sunnyslope Creek and its surrounding areas. The restoration of Sunnyslope Creek will support the requirements of the Upper Santa Ana River Habitat Conservation Plan (HCP) Incidental Take Permits that will facilitate the construction,

operations, and maintenance of water infrastructure projects to increase the reliability of our region's water supply and provide a sustainable source of water for our region's people and environment.

**Fiscal Impact**

There is no fiscal impact for this update. Staff are focused on completing activities described in the table in the Summary section of this Memorandum. \$500,000 was included in the approved FY 2024-2025 General Fund Budget to support this work (Line Item 6780: Sunnyslope Creek Louis Rubidoux Nature Center). Staff were also successful in securing a \$392,500 grant from the Wildlife Conservation Board's Riparian Habitat Conservation Program to help support habitat restoration work adjacent to Sunnyslope Creek and the Santa Ana River.